

PREVAILED

Roll Call No. _____

FAILED

Ayes _____

WITHDRAWN

Noes _____

RULED OUT OF ORDER

HOUSE MOTION _____

MR. SPEAKER:

I move that Engrossed Senate Bill 79 be amended to read as follows:

- 1 Page 1, delete lines 1 through 17, begin a new paragraph and insert:
2 "SECTION 1. IC 6-1.1-12-40 IS ADDED TO THE INDIANA
3 CODE AS A NEW SECTION TO READ AS FOLLOWS
4 [EFFECTIVE JANUARY 1, 2002]: Sec. 40. (a) As used in this
5 section, "assessed value of inventory" means the assessed value
6 determined after the application of any deductions or adjustments
7 that apply by statute or rule to the assessment of inventory, other
8 than the deduction established in subsection (e).
9 (b) As used in this section, "county income tax council" means
10 a council established by IC 6-3.5-6-2.
11 (c) As used in this section, "fiscal body" has the meaning set
12 forth in IC 36-1-2-6.
13 (d) As used in this section, "inventory" has the meaning set
14 forth in IC 6-1.1-3-11.
15 (e) Except as provided in subsection (j), a deduction applies to
16 the assessed value of inventory. If the county fiscal body or county
17 income tax council does not take action under subsection (f), the
18 deduction is equal to a percentage of the assessed value of
19 inventory for the appropriate year of assessment as follows:
20

YEAR OF ASSESSMENT	PERCENTAGE
21 2002	10%
22 2003	20%
23 2004	30%
24 2005	40%

1	2006	50%
2	2007	60%
3	2008	70%
4	2009	80%
5	2010	90%
6	2011 and thereafter	100%

7 (f) An ordinance may be adopted before January 1, 2002, to
8 provide that:

- 9 (1) the percentage of the deduction established in subsection
10 (e) is one hundred percent (100%) for the 2002 year of
11 assessment and thereafter;
- 12 (2) the percentage of the deduction established in subsection
13 (e) reaches one hundred percent (100%) within a period
14 between two (2) years and nine (9) years under the
15 appropriate schedule in subsection (i); or
- 16 (3) the deduction established in subsection (e) does not apply
17 for any year of assessment.

18 However, an ordinance adopted under subdivision (3) may be
19 repealed by the entity adopting the ordinance in a calendar year
20 beginning after December 31, 2002, if the entity adopting the
21 ordinance adopts an ordinance under subdivision (1) or (2) for a
22 calendar year beginning after December 31, 2002. The entity that
23 repeals an ordinance adopted under subdivision (3) shall provide
24 a certified copy of the repeal and of the ordinance adopted under
25 subdivision (1) or (2) to the state board of tax commissioners
26 before February 1 of the calendar year in which the deduction
27 established under subsection (e) will first apply within the county.

28 (g) The entity that may adopt the ordinance under subsection (f)
29 is:

- 30 (1) the county income tax council if the county option income
31 tax is in effect on January 1, 2001;
- 32 (2) the county fiscal body if the county adjusted gross income
33 tax is in effect on January 1, 2001; or
- 34 (3) the county income tax council or the county fiscal body,
35 whichever acts first, for a county not covered by subdivision
36 (1) or (2).

37 To adopt an ordinance under subsection (f), a county income tax
38 council shall use the procedures set forth in IC 6-3.5-6 concerning
39 the imposition of the county option income tax. The entity that
40 adopts the ordinance shall provide a certified copy of the ordinance
41 to the state board of tax commissioners before February 1, 2002.

42 (h) If an ordinance is adopted under subsection (f)(1), the
43 deduction established in subsection (e) applies in the amount of one
44 hundred percent (100%) for the 2002 assessment year and
45 thereafter.

46 (i) If an ordinance is adopted under subsection (f)(2), the
47 percentage to be used to determine the amount of the deduction

established in subsection (e) is the percentage derived from the following table that corresponds to the period of years established in the ordinance over which the deduction reaches one hundred percent (100%):

(1) Period of nine (9) years:

YEAR OF ASSESSMENT	PERCENTAGE
2002	11%
2003	22%
2004	33%
2005	44%
2006	55%
2007	66%
2008	77%
2009	88%
2010 and thereafter	100%

(2) Period of eight (8) years:

YEAR OF ASSESSMENT	PERCENTAGE
2002	13%
2003	25%
2004	38%
2005	50%
2006	63%
2007	75%
2008	88%
2009 and thereafter	100%

(3) Period of seven (7) years:

YEAR OF ASSESSMENT	PERCENTAGE
2002	14%
2003	28%
2004	43%
2005	57%
2006	71%
2007	85%
2008 and thereafter	100%

(4) Period of six (6) years:

YEAR OF ASSESSMENT	PERCENTAGE
2002	17%
2003	33%
2004	50%
2005	67%
2006	83%
2007 and thereafter	100%

(5) Period of five (5) years:

YEAR OF ASSESSMENT	PERCENTAGE
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1	2002	20%
2	2003	40%
3	2004	60%
4	2005	80%
5	2006 and thereafter	100%
6	(6) Period of four (4) years:	
7	YEAR OF ASSESSMENT	PERCENTAGE
8	2002	25%
9	2003	50%
10	2004	75%
11	2005 and thereafter	100%
12	(7) Period of three (3) years:	
13	YEAR OF ASSESSMENT	PERCENTAGE
14	2002	33%
15	2003	67%
16	2004 and thereafter	100%
17	(8) Period of two (2) years:	
18	YEAR OF ASSESSMENT	PERCENTAGE
19	2002	50%
20	2003 and thereafter	100%
21	(j) If an ordinance is adopted under subsection (f)(3), the	
22	deduction established in subsection (e) does not apply for any	
23	assessment year until the ordinance is repealed and replaced by an	
24	ordinance adopted under subsection (f)(1) or (f)(2).	
25	(k) A taxpayer is not required to file an application to qualify	
26	for the deduction established in subsection (e).	
27	(l) The state board of tax commissioners shall incorporate the	
28	deduction established in this section in the personal property	
29	return form to be used each year for filing under IC 6-1.1-3-7 or	
30	IC 6-1.1-3-7.5 to permit the taxpayer to enter the deduction on the	
31	form. If a taxpayer fails to enter the deduction on the form, the	
32	township assessor shall:	
33	(1) determine the amount of the deduction; and	
34	(2) within the period established in IC 6-1.1-16-1, issue a	
35	notice of assessment to the taxpayer that reflects the	
36	application of the deduction to the inventory assessment.	
37	(m) The deduction established in this section must be applied to	
38	any inventory assessment made by:	
39	(1) an assessing official;	
40	(2) a county property tax board of appeals; or	
41	(3) the state board of tax commissioners."	
42	Page 2, delete lines 1 through 24.	
43	Page 2, line 28, after "taxpayers" insert ".".	
44	Page 2, delete line 29.	
45	Page 2, line 30, delete "section 5.5 of this chapter."	
46	Page 2, run in lines 28 and 30.	
47	Page 4, line 27, after "tax" insert "rate".	

- 1 Page 4, line 30, after "an" insert **"additional"**.
- 2 Page 4, line 30, after "tax" insert **"rate"**.
- 3 Page 4, line 30, after "for" insert **"the purpose of providing**
- 4 **additional homestead credits under section 24 of this chapter."**.
- 5 Page 4, delete lines 31 and 32.
- 6 Page 4, line 33, after "The" insert **"additional"**.
- 7 Page 4, line 33, after "tax" insert **"rate that"**.
- 8 Page 4, line 34, delete "at a rate of:" and insert **"may not exceed**
- 9 **twenty-five hundredths percent (0.25%).".**
- 10 Page 4, delete lines 35 through 42.
- 11 Page 5, delete line 1.
- 12 Page 5, line 6, after "5" insert **"or 5.5"**.
- 13 Page 5, line 10, after "5" insert **"or 5.5"**.
- 14 Page 5, delete lines 24 through 42.
- 15 Page 6, delete lines 1 through 41.
- 16 Page 11, delete lines 20 through 42, begin a new paragraph and
- 17 insert:
- 18 "SECTION 8. IC 6-3.5-7-24 IS ADDED TO THE INDIANA CODE
- 19 AS A **NEW** SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
- 20 1, 2001]: **Sec. 24. (a) For purposes of this section, "imposing entity"**
- 21 **means the entity that adopted the county economic development**
- 22 **income tax under section 5 of this chapter.**
- 23 **(b) Except as provided in subsection (d), the imposing entity**
- 24 **may adopt an ordinance to provide for the use of all or a part of**
- 25 **the certified distribution for the purpose provided in subsection (e).**
- 26 **In addition, an imposing entity may adopt an ordinance to provide**
- 27 **for the use of that part of the certified distribution derived from**
- 28 **the additional tax rate imposed under section 5.5 of this chapter for**
- 29 **the purpose provided in subsection (e). A county income tax council**
- 30 **that adopts an ordinance under this subsection shall use the**
- 31 **procedures set forth in IC 6-3.5-6 concerning the adoption of an**
- 32 **ordinance for the imposition of the county option income tax. An**
- 33 **ordinance may be adopted under this subsection after January 1**
- 34 **but before April 1 of a calendar year. An ordinance adopted under**
- 35 **this subsection:**
- 36 **(1) first applies to the certified distribution made in the**
- 37 **calendar year that immediately succeeds the calendar year in**
- 38 **which the ordinance is adopted;**
- 39 **(2) must specify the calendar years to which the ordinance**
- 40 **applies; and**
- 41 **(3) must specify the percentage of the certified distribution to**
- 42 **be used for the purpose provided in subsection (e).**
- 43 **(c) If an ordinance is adopted under subsection (b), the**
- 44 **percentage of the certified distribution specified in the ordinance**
- 45 **for use for the purpose provided in subsection (e) shall be:**
- 46 **(1) retained by the county auditor under subsection (g); and**
- 47 **(2) used for the purpose provided in subsection (e) instead of**

the purposes specified in the capital improvement plans adopted under section 15 of this chapter.

(d) The imposing entity may not provide in an ordinance adopted under subsection (b) for the use of the certified distribution under this section:

(1) to the extent that the certified distribution is pledged as described in section 12(d) of this chapter; or

(2) if an ordinance was adopted before January 1, 2002, under IC 6-1.1-12-40(f)(3).

(e) The imposing entity may, in the ordinance adopted under subsection (b), determine to use all or a part of the certified distribution to increase the percentage credit allowed for homesteads in the county under IC 6-1.1-20.9-2 for a year. If an ordinance is adopted under subsection (b), the county auditor shall, for each calendar year in which an increased homestead credit percentage is authorized under this section, determine:

(1) the amount of the certified distribution that will be dedicated to an increased homestead credit percentage for the year;

(2) the amount of uniformly applied homestead credits for the year for all homesteads in the county that equals the amount determined under subdivision (1); and

(3) the increased percentage of homestead credit that equates to the amount of homestead credits determined under subdivision (2).

(f) The increased percentage of homestead credit determined by the county auditor under subsection (e) applies uniformly for all homesteads in the county in the calendar year for which the increased percentage is determined.

(g) The county auditor shall retain from the payments of the county's certified distribution an amount equal to the revenue lost, if any, due to the increase of the homestead credit within the county. The money shall be distributed to the civil taxing units and school corporations of the county:

(1) as if the money were from property tax collections; and

(2) in such a manner that no civil taxing unit or school corporation will suffer a net revenue loss because of the allowance of an increased homestead credit.

SECTION 9. [EFFECTIVE JANUARY 1, 2002] (a) IC 6-1.1-12-40, as added by this act, applies to inventory assessments after December 31, 2001.

- 1 **(b) This SECTION expires January 1, 2004."**
- 2 Delete pages 12 through 13.
- 3 Renumber all SECTIONS consecutively.
(Reference is to ESB 79 as printed April 6, 2001.)

Representative Espich